butter in that year being 7,400 metric tons. In 1930 Estonia exported in all 14,100 metric tons, as compared with the figure given above for production in that year of 15,500 metric tons, while Latvia exported 18,400 metric tons as compared with a production figure of 20,800 metric tons. Much progress was made with pig-breeding in Estonia and Latvia during the period; and considerable quantities of bacon were exported, mainly to Great Britain. Lithuania entered the field as a bacon exporter rather later than the two other countries, but by the end of the period her export trade was beginning to be considerable.[1] Poultry-breeding also was carried on intensively in all three countries, particularly Lithuania, which exported large quantities of eggs and poultry to Germany and Great Britain.

4. Timber

The percentage of the total area covered by forests was as follows:

	Percentage	*State property as percentage of this*
Estonia (1929). .	20	88
Latvia (1928). .	29	85
Lithuania (1927). .	17	?

The species vary considerably: in Estonia softwoods prevail to the extent of about 63 per cent., followed by birch (19 per cent.), aspen (10 per cent.), alder and others (8 per cent.), while in Latvia 77 per cent. of the total forest area is covered by softwoods, the remainder being birch (15 per cent.), aspen (4 per cent.), alder (3 per cent.), and others (1 per cent.). The Lithuanian forests consist of softwoods (62 per cent.), aspen (13 per cent.), birch (11 per cent.), alder (4 per cent.), and others (10 per cent.).

The forests of all three States, especially Latvia and Lithuania, suffered from the presence of hostile armies during the War, for large quantities of timber were felled as and when required, though it is true that this took place chiefly by the side of the roads and railways. After the War, too, the absence of agricultural buildings, and even of houses for the new small-holders, led to much abnormal felling of timber. In Lithuania, for example, a great deal of timber was sold at nominal prices or even given away to new settlers. Since the immediate post-War period, however, the respective Forestry Departments have established a more rational control over the timber resources of the State and also of those which are privately owned, for in most cases the owners in the latter category are municipalities or other public bodies.

[1] For the effects of this, see below, pp. 148-9.

436 Lithuania. The situation in Lithuania immediately after the war
●722 was rather different.[1] The currency in circulation at the outbreak of War was the rouble, but with the German occupation Reichsmarks came into circulation. To regularize this position a special institution was set up in 1916 by the German authorities, which issued the so-called 'Oberost' notes in exchange for roubles and marks. But, owing to the conservative instinct of the peasants, roubles tended to be hoarded, and thus the backing for the 'Oberost' money came to be preponderantly German currency. This system was maintained after the declaration of independence, and Lithuania had actually had no currency of her own until 1922, for the authorities continued to issue 'Oberost' notes, which were known as 'Auksinas'. This currency naturally fluctuated with the German mark, and the rapid depreciation of the latter during 1922 made the introduction of an independent Lithuanian currency an urgent necessity. It was finally
652 decided to create the litas, the parity of which was fixed at one-tenth
436 of the U.S. gold dollar,[2] since this currency was familiar to many Lithuanians, owing to the large number of their compatriots who had emigrated to the United States. The currency came into circula-
439 tion on October 1, 1922. Simultaneously a bank of issue, the
652 *Lietuvos Bankas*, was established with a gold reserve consisting
453 largely of 3 million gold roubles received from Russia under the Peace Treaty. The bank was granted the sole right of note circulation, one-third of which must be covered by gold. Half of the share capital is held by the State, and provision is made by statute for the exercise of the authority of the State over certain of the bank's activities.

436 *Estonia*. The monetary history of Estonia during the period was
652 rather different from that of the other two countries. This was due to Estonia's credit policy. Shortly after the declaration of independence Estonia began to issue its own currency, the Estonian mark, based roughly on the German mark, of which a great number were then in circulation. The extraordinary needs of the war with Russia led to a steady depreciation, which lasted until about the middle of 1921. But, though the need for extraordinary expenditure such as that required in the previous two years had ceased by 1921, the policy of the Central Bank (*Eesti Pank*), which had been formed in 1919, somewhat aggravated the situation. This bank was a State institution and acted as a bank of issue. But it was also the most important commercial bank of the country, for, during the years 1921–3, the Government endeavoured to restore something of Estonia's former industrial activity by supplying industry with

[1] A full account will be found in Dr. Kazys Sruoga, *Die Wirtschaft der Republik Litauen und ihre Notenemission*, Kaunas, 1930.

[2] Parity to the gold £ being, therefore, 48·666.